

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-141-G - ORDER NO. 92-88 ✓
FEBRUARY 5, 1992

IN RE: Piedmont Natural Gas Company -)
 Application for an Adjustment)
 of its Rates and Charges.)
) ORDER GRANTING
) MOTION FOR STAY
) AND FOR APPROVAL
) OF UNDERTAKING

This matter is before the Public Service Commission of South Carolina (the Commission) on the Motion of Piedmont Natural Gas Company, Inc. (Piedmont or the Company) to stay the Commission's Order No. 91-1003, dated November 27, 1991, and Order No. 92-30, dated January 22, 1991, and to approve the Company's proposed undertaking, pursuant to S.C. CODE ANN., Section 58-5-240.

All parties have consented to an Order staying the effect of these Orders to the extent that they would require Piedmont to reduce its applied for rates. This proposed consent Order extends the time for such reductions through and including Tuesday, February 4, 1992.

Piedmont has filed with us a bond and undertaking, whereby the sum secured by the undertaking would be \$803,190 annually. The \$803,190 results from (1) the Commission's exclusion of amounts related to the long-term incentive plan (\$268,275); (2) the Commission's \$3,000,000 reduction in rate base related to the deferred account (\$434,310); (3) the Commission's exclusion of

increases in officer's salaries during the test period (\$23,536); and (4) the Commission's rejection of the retention factor (\$77,069).

Piedmont filed to increase its rates by \$4,415,368 annually. The rates approved by the Commission in the Orders referred to above would increase Piedmont's rate by an annual amount of \$3,015,150 from November 27, 1991, to February 1, 1992, by an annual amount of \$2,746,875 for the period February 1, 1992 to the effective date of Weather Normalization Adjustment (WNA) revisions, and by \$111,312 annually thereafter.

Piedmont seeks approval of its undertaking allowing it to place rates into effect under the provisions of S.C. Code Ann. §58-5-240, which would increase its rates to \$3,550,065 annually until the date of the implementation of the weather normalization adjustment at which time rates would be reduced to \$914,502, pending the resolution of any appeal to the Courts. Piedmont has initiated its appeal by the filing of its Motion for Reconsideration with the Commission, but has not, as of this date, filed an appeal to the Circuit Court.

By Motion, Piedmont requests the Commission to approve the bond and undertaking in the format presented, and to stay the effectiveness of the Orders under appeal to the extent required to permit Piedmont to increase its rates by \$3,550,065 annually, effective February 1, 1992, up to the effective date of weather normalization adjustment and by \$914,502 thereafter until such time as a final adjudication of this matter by the Courts.

The Commission has considered these matters and believes that the proposed consent Order extending the time for reductions under the previous Order of this Commission through and including Tuesday, February 4, 1992, should be granted. Further, it appearing to the Commission that §58-5-240 of the S.C. Code clearly provides that upon the filing of a bond undertaking and such sum as the Commission may approve, the Orders of the Commission should be stayed only as to the four matters appealed by Piedmont during the pendency of any action appealing such Orders.

IT IS THEREFORE ORDERED AS FOLLOWS:

1. That the proposed consent Order extending the time for reductions required by previous orders through and including Tuesday, February 4, 1992, is hereby approved.

2. That Piedmont shall forthwith file with the Commission its bond and undertaking in the amount and form proposed by its Motion, said amount to be \$803,190 annually, which is satisfactory to permit Piedmont to implement rates as described herein above. The bond shall cover a period between February 1, 1992 and such time as the Court shall either reverse the Commission, or the Commission, after affirmance or partial affirmance by the Courts, shall certify the amount of refund plus interest due and order the appropriate refunds made to the ratepayers.

3. That Commission Order Nos. 91-1003, dated November 27, 1991, and Order No. 92-30, dated January 22, 1992, shall be stayed only as to the Commission's holding in those Orders on exclusion of amounts related to the long-term incentive plan (\$268,275), the

Commission's \$3,000,000 reduction in rate base related to the deferred account (\$434,310), the Commission's exclusion of increases in officer's salaries during the test period (\$23,536), and the Commission's rejection of the retention factor (\$77,069) for a total of \$803,190 in rates and then only for such time as the matters are under appeal to the Circuit Court and/or Supreme Court.

4. That all other provisions of Order Nos. 91-1003 and 92-30, including, but not limited to implementation of the Weather Normalization Adjustment (WNA), shall remain in full force and effect until further Order of the Commission.

5. That if under final adjudication by either the Circuit Court or the Supreme Court, the Court in question either affirms or partially affirms Order No. 91-1003 and/or Order No. 92-30, the Company shall abide by any Order of the Commission which shall order the Company to refund to the ratepayers such sums as shall have been collected in excess of the amounts contemplated by those Orders, plus twelve (12%) percent interest as mandated by S.C. CODE ANN. §58-5-240.

6. That since the rates to be charged under the bond are in excess of those contemplated by the Commission Orders, the Company shall notify its customers of this fact as directed by the Commission Staff.

7. That if the Company fails to appeal the Commission Orders as stated above to the Courts, then the stay will be lifted, the Bond and Undertaking will be null and void, Commission Order Nos. 91-1003 and 92-30 will be in full force and effect, and Piedmont

shall refund all monies collected in excess of rates authorized by Order No. 92-30 to its customers, plus twelve (12%) percent per annum interest from the date of the bond, which shall coincide with the date of this Order, through the final day for Piedmont to have filed its appeal with the Circuit Court. Piedmont shall charge rates thereafter as governed by Order Nos. 91-1003 and 92-30.

8. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:


Executive Director

(SEAL)